

## U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### Invitation for Multifamily Accelerated Processing Lender Approval

HUD is inviting FHA approved multifamily mortgagees to apply to HUD Headquarters for approval as lenders authorized to process and submit preapplications and FHA Firm Commitment applications under Multifamily Accelerated Processing (MAP).

MAP is a national "fast track" processing system for the FHA multifamily mortgage insurance programs. It provides a standard system to replace the varying "fast-track" systems used in many, but not all, HUD Multifamily HUBS and Program Centers. MAP makes the lender responsible for preparation of most of the exhibits, such as the appraisal required for an application for mortgage insurance, and for making a recommendation to HUD based upon the lender's processing and underwriting. HUD reviews the lender's exhibits and makes the final underwriting decision.

To be approved for MAP, an FHA approved multifamily mortgagee must apply and be approved by HUD Headquarters as a MAP lender. Lender approval requirements are contained in Chapter 2 of the draft MAP guide and the application exhibits for MAP lender approval are attached to this invitation. The draft MAP guide is on the web at <http://www.hud.gov/fha/mfh/map/mapguide.html>

N. B. The draft MAP guide is currently undergoing changes as a result of Departmental clearance. Several changes made to the draft since web publication that affect potential MAP applicants are the following:

1. identity of interest has been further defined. (See Exhibit L attached)
2. all underwriters will be required to attend HUD training before they can submit a preapplication package or firm commitment application under MAP.

If there are further changes to the guide which affect the lender approval application exhibits or process, HUD Headquarters will notify the applicants and publish additional information on the web. HUD will not approve any lenders for MAP until the final MAP guide has been cleared by the Department.

HUD Headquarters Office of Multifamily Housing will be accepting applications for MAP lender approval on an ongoing basis. HUD reviews and approvals will be grouped based on the date received. The initial reviews and approvals will be based on lender applications received no later than 5:15 PM on May 2, 2000 at the following address:

Office of Business Products  
Room 6134  
HUD Building 451 7<sup>th</sup> St. SW  
Washington, DC 20410

Lenders are encouraged to submit applications prior to May 2, if possible. Applications received subsequent to the deadline will be grouped for processing and approval at a later

date. If you have questions on the MAP lender approval process, please call Joseph Malloy at (202) 708-3000 or e-mail [Joseph\\_E.\\_Malloy@hud.gov](mailto:Joseph_E._Malloy@hud.gov).

## MAP Lender Approval Exhibits

OMB No 2502-0541(Exp. 7/00)

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This collection of information is necessary for the Department to determine whether or not the applicants have the necessary qualifications and experience to handle the additional duties and responsibilities of a MAP lender. The submission of the information is mandatory for all applicants who wish to be MAP approved. Public reporting burden for this collection of information is estimated to average 10 hours per response ,including the time for reviewing the instructions, collecting data on multifamily loans originated and assigned and preparing the resumes and the narrative statement on operations. Estimated number of applicants is 130. Send comments on this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to the Reports Management Officer, U.S. Department of Housing and Urban Development, Washington, D. C. 20410 and to the Office of Management and Budget , Paperwork Reduction Project(2502-0541) , Washington, D. C. 20503. The information requested will be used solely to determine the eligibility of the applicant to become a MAP Lender. The information will not be disclosed outside the Department without prior consent except as required or permitted by law.

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Exhibit A      Name of applicant, address, employer identification number, contact person or persons, telephone and fax number , e-mail address, branch offices for multifamily business with address, telephone and e-mail address.

Exhibit B      List of names and titles of those who are authorized to bind the Lender in matters involving the application ,underwriting and origination of insured mortgages under MAP.

Exhibit C      Type of mortgagee, (e.g., supervised or non-supervised) type of legal structure(e.g., general corporation, limited liability corporation, partnership, housing finance agency or other ),whether or not a subsidiary of another company and, if so, identification of the parent company.

Exhibit D      Copy of letter of approval/HUD approved Form 92001 evidencing approval as an FHA approved multifamily mortgagee as well as the copy of the most recent Yearly Verification Report submitted to the Lender Approval Division.

Exhibit E      Copy of the most recent financial statements submitted to HQ Lender Approval Division.(not applicable to supervised mortgagees).

**Exhibit F** Narrative discussion of the applicant's method of operation in multifamily lending. This would include whether or not it acts as a mortgage banker servicing loans, or an originator selling commitments or loans to others, whether it originates or holds loans in its portfolio or purchases loans from others, or both, experience in construction loan administration, the number, location and staffing of branch offices it operates, and any other information the applicant deems relevant in providing a clear picture of its business.

**Exhibit G** Experience of the applicant in multifamily loan origination, both conventional and FHA insured. List the FHA insured loans for which applicant has received firm commitments in the last 5 years and the number, name, location, original amount, HUD Office where processed and whether or not the loan is in default, an election to assign the loan to FHA for insurance benefits has been filed or the loan has been assigned to FHA. The extent of conventional lending may be summarized rather than listing each conventional mortgage originated in the last 5 years. It is important to cover in the summary the extent of conventional multifamily experience, the estimated extent to which construction loan financing was involved and the number and percentage of defaults and foreclosures. If an FHA or conventional loan was sold since origination and is serviced by another lender, please list it. Please report, if you know, whether or not the sold loan is in default, foreclosure or if assigned to FHA for insurance benefits. Default for these purposes means a loan whose payment is more than 60 days overdue.

**Exhibit H** Narrative discussion explaining any elections to assign FHA loans for insurance benefits where initial endorsement of the FHA loans occurred after May 1, 1995.

**Exhibit I** Resumes of the staff who will be responsible for the applicant's submission of a MAP loan application which demonstrate that the staff has the required multifamily experience. Underwriter(s) must evidence a minimum 3 years recent experience, worked regularly in the multifamily lending business and underwritten at least 3 loans which have actually been funded. If multifamily experience is all conventional, provide evidence of understanding of FHA multifamily mortgage insurance origination requirements.

**Exhibit J** Experience in construction loan administration if intending to perform construction loan administration. Identify those persons authorized to sign advances, construction change orders and escrow releases.

**Exhibit K** Information regarding:

1. lawsuits/claims/judgments filed or issued in the last 3 years against the applicant, (a) which concern equal employment or Lender discrimination prohibited by law or (b) which are a result of, or might affect significantly affect its multifamily lending business. Include the name of the lawsuit and potential liability.

2. any criminal charges brought against the applicant related to the mortgage lending business.

Exhibit L      Certification by the Lender that it will certify with each preapplication and application for mortgage insurance that it is in compliance with the identity of interest provisions in the MAP guide which will provide that: “No financial or family relationship is permitted between an officer, director or partner of the MAP lender, its principal staff or contract employees working on a particular application and an officer, director or partner of the sponsor, the mortgagor, the principals of the mortgagor, the general contractor, subcontractors or seller of the land or property.”

Exhibit M      Agreement that the Lender will open its files and records on FHA applications to monitoring by HUD staff, including the Office of Inspector General.